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Proposed programme budget for the biennium 2014-2015

Contingency fund: consolidated statement of programme budget implications and revised estimates

Twenty-third report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2014-2015

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report of the Secretary-General on the contingency fund: consolidated statement of programme budget implications and revised estimates (A/C.5/68/20). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The Advisory Committee recalls that, in its resolution 67/248, the General Assembly decided that the level of the contingency fund for the biennium 2014-2015 should be set at 0.75 per cent of the overall level of resources, or $40,445,043, within which additional requirements would be accommodated. According to the report of the Secretary-General, the total value of the relevant items that are before the Fifth Committee for decision amounts to $24,330,600. Taking into account the relevant recommendations of the Committee, which, at the time of the consideration of the Secretary-General's report, amounted to an overall reduction of $4,567,200, potential new charges to the contingency fund would amount to $19,763,400. Accordingly, should the Assembly approve the appropriation of the amounts set out in the table under paragraph 3 of the report of the Secretary-General, a balance of $20,681,643 would remain in the contingency fund to meet future additional requirements during the biennium 2014-2015.

3. The Advisory Committee recalls the provisions of General Assembly resolutions 41/213 and 42/211 on the use of the contingency fund. In its resolution 41/213 (annex I, sect. C, para. 8), the Assembly laid down that the programme budget should include a contingency fund expressed as a percentage of the overall budget level to accommodate additional expenditures relating to the biennium derived from legislative mandates not provided for in the proposed programme budget or from revised estimates. In its resolution 42/211, the Assembly decided

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that the fund covers additional expenditures relating to the biennium that are based on decisions taken during a three-year period, which includes the year preceding the biennium and the biennium (annex, sect. B, para. 1). Furthermore, the contingency fund is to be used for revised estimates in respect of amounts required over and above the estimates in the proposed programme budget for activities that had been included in the proposed programme budget but that were not acted upon at first reading pending the submission of additional information (ibid., sect. A, para. (b) (i)). The Assembly also laid down that prudent use of the fund requires that it should not be exhausted before the end of the period of use (ibid., sect. B, para. 2) and that if additional expenditures are proposed that exceed resources available within the contingency fund, such additional expenditures can only be included in the budget through the redeployment of resources from low-priority areas or modifications of existing activities; otherwise, such additional activities will have to be deferred until a later biennium (resolution 41/213, annex I, sect. C, para. 9).

4. The Advisory Committee notes that the proposed charges against the fund contained in the report of the Secretary-General would amount to approximately half of the approved level of the fund for 2014-2015. This compares favourably against the proposal put forward by the Secretary-General two years ago in the context of the General Assembly's consideration of the proposed programme budget for 2012-2013, in which the proposed additional requirements amounted to approximately 85 per cent of the level of the contingency fund prior to the commencement of the biennium (see A/66/7/Add.23, para. 4).

5. During its hearing on the Secretary-General's current proposal, the Advisory Committee was informed that the level of potential new charges to the contingency fund was largely driven by new mandates resulting from resolutions and decisions adopted by various intergovernmental bodies. The Committee was also informed that the Secretary-General had exercised restraint in putting forward self-generated proposals that would require additional resource requirements from the fund.

6. **The Advisory Committee recalls its previous observation that, while recognizing that additional resource requirements must be considered and that it is not always possible to fit new initiatives within the biennial cycle of the regular budget, it is the responsibility of the Secretary-General, as chief administrative officer of the Organization, to ensure that the proposed programme budget presents the fullest possible picture of the Organization's requirement for any given biennium (A/67/650, para. 8). The Committee stresses that at all times, every effort should be made to incorporate additional requirements into the initial budget proposals.**

7. **The Advisory Committee also recalls its view that the contingency fund is an essential budgetary instrument for addressing additional resource requirements, emphasizing the need to adhere to the provisions of General Assembly resolutions 41/213 and 42/211 on its use. In the event of any constraints faced, the Committee stresses that the Secretary-General should bring these matters to the attention of the General Assembly in a timely manner (ibid., para. 9).**

8. **The Advisory Committee points out that the additional resource requirements of $19,763,400 outlined in the report of the Secretary-General relate to decisions taken before the adoption by the General Assembly of the programme budget for the biennium 2014-2015. Prior to the Assembly's action**

on the budget, the list of potential charges to the contingency fund will need to be updated to reflect the remaining recommendations of the Committee. Based on the provision of the updated list and further to the proposed action set out in paragraph 3 of the Secretary-General's report (A/C.5/68/20), the Assembly may wish to consider the potential charges related to new and expanded mandates against the contingency fund for the biennium 2014-2015.